



State of Utah

Department of Natural Resources

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Executive Director

Division of Oil, Gas & Mining

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Division Director

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Governor

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August 1, 2005

CERTIFIED RETURN RECEIPT 7002 0510 0003 8603 4315

Terry Wetz
International Uranium (USA) Corporation
Independence Plaza
1050 Seventeenth Street
Denver, Colorado 80265

Subject: Five-Year Review of Reclamation Surety Estimate, International Uranium (USA) Corporation, Rim-Columbus Mine M/037/006, Pandora Mine M/037/012, LaSal – Snowball Permit M/037/026, Hecla Shaft M/037/043, Redd Block IV M/037/046, San Juan County, Utah

Dear Mr. Wetz:

Thank you for providing the requested information regarding the five-year review status of the Rim-Columbus, Pandora, LaSal-Snowball, Hecla Shaft, & the Redd Block IV Mines, located in San Juan County, Utah. The last combined surety estimate for these mines was \$475,100 in 2002 dollars. Upon review of the information furnished by International Uranium (USA) Corporation and a site visit to verify the site conditions, we find we only need to escalate the existing bonds for a five-year period. The only changes made to the original bond amounts were the addition of monies for reclamation supervision and equipment mobilization/demobilization.

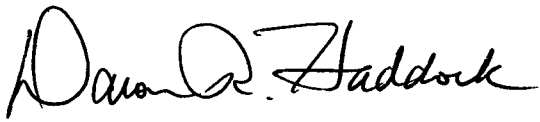
The combined surety for these mines escalated to the year 2010 is \$738,100. Surety Estimate Updates for each site are attached for your use. These Updates show the new bond amounts for each of the individual mines. Please provide the updated sureties within 60 days or no later than September 30, 2005.

You may provide riders to the existing sureties. The Reclamation Contracts would have an addendum added to bring them current. However, if you choose to post another form of surety, please contact Beth Ericksen at (801) 538-5318 to obtain the current bonding forms.

Terry Wetz
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IUC Surety Updates
August 1, 2005

If you are unable to provide the sureties within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,


for Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:DJ:jb

Attachment: (5) Surety Estimate Updates

cc: Frank Bain, BLM, Moab FO w/attachments
Ted McDougal, BLM Monticello FO w/attachments
Will Stokes, SITLA (ML24092S, 18301-MM) w/attachments
Doug Jensen, DOGM
Beth Ericksen, DOGM

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SURETY ESTIMATE UPDATE

International Uranium (USA) Corporation

27-Jul-05

LaSal - Snowball Mines

FILE # M/037/026

San Juan County

Prepared by Utah Division of Oil, Gas & Mining

Last Update 5/12/1997

DESCRIPTION:

-Previous reclamation surety estimate was \$124,543 in year 1989 dollars

-Reclamation Estimate base amount calculated in 1989-\$

-A 10% reclamation supervision cost added to original bond calculation.

-Because of proximity, equipment mobilization/demobilization cost for Pandora - LaSal-Snowball mines have been combined.

-New maps of the area generated for this surety estimate escalation update.

-Acreage figures were adjusted as a result of this mapping effort.

-Escalation factors through 2004 are actual Means Historical Cost Indices

-Total disturbed area = 23.6 ACRES

CALCULATIONS F = P(1 + i)**n	YR	ESCAL FACTOR	BOND AMOUNT
	1988	0.0181	\$0
	*** 1989	0.0177	\$124,543
	1990	0.0077	\$125,502
	1991	0.0127	\$127,096
	1992	0.0221	\$129,905
	1993	0.0261	\$133,295
	1994	0.0321	\$137,574
	1995	0.0193	\$140,229
F = Future Sum	1996	0.0242	\$143,623
P = Present Sum	1997	0.0236	\$147,012
i = Escalation Factor	1998	0.0502	\$154,392
n = number of periods	1999	0.0191	\$157,341
	2000	0.0244	\$161,180
Three Yr Average = 4.44%	2001	0.0421	\$167,966
Used to Project 5 Yrs	2002	0.0202	\$171,359
From the Year 2004	2003	0.0155	\$174,015
	2004	0.0976	\$190,999
	**** 2005	0.0444	\$203,479
	2006	0.0444	\$212,513
	2007	0.0444	\$221,949
	2008	0.0444	\$231,804
	2009	0.0444	\$242,096
	2010	0.0444	\$252,845

Updated Surety Amount Rounded (2010-\$) \$252,800

** Average cost per acre = 9405 (\$/ACRE)

*** A 10% supervision cost added to the original bond calculation.

**** A cost of \$4000 mobilization/demobilization, for 2 pieces of equipment, added to surety estimate.